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## THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

14 July 1980

MEMORANDUM FOR: Director of Central Intelligence

Deputy Director of Central Intelligence

THROUGH

: Deputy Director for National Foreign Assessment

National Intelligence Officer for Warning

FROM

National Intelligence Officer for East Asia

SUBJECT

: Warning Assessment: East Asia

The following items were discussed by the Community Representatives at the 18 June Warning Meeting.

Korea

2. Analysts noted a steady move on General Chon Doo Huan's part to build up his political power, closely following the process used by Park Chong Hee. Nevertheless, there were limitations as to how fast Chon could move -- the weakened condition of the existing political parties, the difficulties Chon would face in creating a new party, and popular reaction against him. Chon might need to rig elections, which could greatly increase popular opposition. Promulgation of a new constitution along the lines of the old Yushin constitution would also be likely to generate widespread opposition.

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| 3. The security situation appeared to be relatively stable, with the government closely watching possible trouble spots such as the college campuses. Economic conditions were seen as less good but with signs of an upturn becoming visible. US-ROK relations were satisfactory, and the Combined Force Command was functioning normally. No indications of unusual North Korean military movements had been observed.                                                                                                                                                                        | 25X1 |
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| China                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      |
| 4. Some further editorial criticisms of Hua Guofeng had occurred but apparently not of a nature to suggest serious strains among the senior leadership (criticisms of Hua were directed against his earlier stand favoring a faster modernization than is now the case). It was assumed that the top leaders were presently thrashing out issues which would be addressed at major meetings to be held later this year. There was a possibility that Deng Xiaoping would resign his governmental position in August, which could cause other senior personalities including Hua to follow suit. | 25X1 |
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| 5. US-PRC relations were described as good, with the Geng Biao visit to the US being taken by the Chinese as a sign of coincidence of views on strategic matters. US arms sales to China were regarded by the Chinese of lesser importance than the US-PRC strategic relationship. However, continuing differences exist between the US and the PRC over policy toward Kampuchea and Pol Pot.                                                                                                                                                                                                   | 25X1 |
| 6. On Sino-Soviet relations, analysts surmised that the recent Chinese rejection of Soviet feelers on improving these relations signified a higher Chinese priority in maintaining good relations with the US. No particular change in the Soviet OB along the Soviet-Chinese border had been observed.                                                                                                                                                                                                                                                                                         | 25X1 |
| 7. It was noted by one analyst that the PRC has begun to make increased use of Hong Kong to train personnel in business and commercial affairs, suggesting a long-term role for Hong Kong in China's economic development.                                                                                                                                                                                                                                                                                                                                                                      |      |
| Philippines                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      |
| 8. Reference was made to the reported manifesto of anti-Marcos activities provided to the Department of State by Senator Aquino, which called for a united front including the Communists against Marcos as well as armed demonstrations. Analysts recalled that a similar manifesto had occurred during elections some two years ago and this added nothing new. It was agreed that the Philippine situation merited close watching, however.                                                                                                                                                  |      |
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## Indochina

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| 9. Analysts called attention to upsurge in DK activity directed against Vietnam communications in Kampuchea, which had created problems for the Vietnamese. DK forces were well supplied. Analysts agreed that failure of the DK to take vigorous action now would cause problems for them when the next dry season arrived.                                                                                        | 25X1                    |
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| 11. Analysts commented upon efforts by the Thai, so far unsuccessful, to bring the Khmer Serai and DK forces together.                                                                                                                                                                                                                                                                                              | 25X1                    |
| Analysts believed that Chinese support for the DK would still be rendered through Thailand despite some reports that Air Marshall Sitthi had considered asking the Chinese to find other means of resupplying the DK.                                                                                                                                                                                               | 25X1                    |
| 12. It was anticipated that Secretary State Muskie would be asked by the ASEAN Foreign Ministers at Kuala Lumpur how the US would vote on the Kampuchean issue in this year's UN General Assembly.                                                                                                                                                                                                                  | 25X1                    |
| 13. Signs of increased Chinese attention to Northern Laos were noted, as evidenced by stepped up Chinese air flights between Hainan and areas along the Sino-Laos border. Laotian refugees accepted by China are in camps in Hainan.                                                                                                                                                                                | 25X1                    |
| 14. Analysts commented upon a possible concentration of the Soviet military presence in Vietnam at Cam Ranh Bay.  Thailand                                                                                                                                                                                                                                                                                          | 25X1                    |
| 15. The performance of Prime Minister Prem since he assumed office was summed up as not being too good. So far Prem had escaped serious criticism, but a critical point could come in about three months more unless he faced up to some of Thailand's pressing problems. This point in time would coincide with the date of announcing new military promotions which could also cause additional trouble for Prem. | ' <u>2</u> 5 <u>X</u> 1 |
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